

Albany County Capital Resource Corporation
(A Component Unit of Albany County, New York)

Financial Statements

December 31, 2024 and 2023

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Independent Auditor's Report

Chair and Members of the Board
Albany County Capital Resource Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Albany County Capital Resource Corporation (Corporation), a component unit of Albany County, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Corporation, as of and for the year ended December 31, 2023, were audited by other auditors, whose report, dated March 27, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of American require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2025, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Latham, New York
March 26, 2025

Albany County Capital Resource Corporation
 (A Component Unit of Albany County, New York)

Statements of Net Position

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,564,035	\$ 1,607,014
Prepaid expenses	1,826	1,739
	<hr/> 1,565,861	<hr/> 1,608,753
NONCURRENT ASSETS		
Loan receivable	-	194,988
	<hr/> \$ 1,565,861	<hr/> \$ 1,803,741
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 4,174	\$ -
NET POSITION		
Unrestricted	1,561,687	1,803,741
	<hr/> \$ 1,565,861	<hr/> \$ 1,803,741

Albany County Capital Resource Corporation
 (A Component Unit of Albany County, New York)

Statements of Revenues, Expenses,
 and Changes in Net Position

	Years Ended December 31,	
	2024	2023
OPERATING REVENUE		
Charges for services	\$ 120,929	\$ -
OPERATING EXPENSES		
Project expenses	20,000	20,000
General and administrative	168,626	79,870
Personal services	-	3,600
Bad debt expense	194,988	-
	<u>383,614</u>	<u>103,470</u>
Operating loss	(262,685)	(103,470)
NONOPERATING REVENUES		
Interest income	<u>20,631</u>	<u>38,866</u>
Change in net position	(242,054)	(64,604)
NET POSITION, <i>beginning of year</i>	<u>1,803,741</u>	<u>1,868,345</u>
NET POSITION, <i>end of year</i>	<u>\$ 1,561,687</u>	<u>\$ 1,803,741</u>

Albany County Capital Resource Corporation
 (A Component Unit of Albany County, New York)

Statements of Cash Flows

	<u>Years Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Receipts from projects	\$ 120,929	\$ -
Payments for projects	(20,000)	(20,000)
Payments to vendors	(164,539)	(79,475)
Payments for personal services and benefits	-	(3,600)
	<u>(63,610)</u>	<u>(103,075)</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Interest income	<u>20,631</u>	<u>38,866</u>
Net decrease in cash	(42,979)	(64,209)
CASH, beginning of year	1,607,014	1,671,223
CASH, end of year	<u>\$ 1,564,035</u>	<u>\$ 1,607,014</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating loss	\$ (262,685)	\$ (103,470)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Bad debt expense	194,988	-
(Increase) decrease in		
Prepaid expenses	(87)	19
Loan receivable	-	376
Increase (decrease) in		
Accounts payable	<u>4,174</u>	<u>-</u>
	<u>\$ (63,610)</u>	<u>\$ (103,075)</u>

Albany County Capital Resource Corporation

(A Component Unit of Albany County, New York)

Notes to Financial Statements December 31, 2024 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies

a. Organization and Purpose

The Albany County Capital Resource Corporation (Corporation) was formed on September 8, 2014, pursuant to Sections 402 and 1411 of the Not-For-Profit Corporation Laws of the State of New York. The Corporation promotes community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of Albany County, New York by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses, and other entities to access low-interest tax-exempt and non-tax-exempt financing for their eligible projects.

The Corporation's purpose is to undertake activities within Albany County for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding Albany County by attracting new industry to Albany County or by encouraging the development of, or retention of, an industry in Albany County, and lessening the burdens of government and acting in the public interest. The Directors of the Corporation are appointed by the Albany County Legislature. The Corporation's directors have complete responsibility for management of the Corporation and accountability for fiscal matters.

b. Basis of Accounting and Financial Statement Presentation

The Corporation's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting and financial reporting treatment applied to the Corporation is determined by its measurement focus. The transactions of the Corporation are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operations are included on the statements of net position. Net position consists of unrestricted assets and liabilities.

Revenues are recognized when earned, and expenses are recognized when incurred. The Corporation distinguishes operating revenues and expenses from nonoperating items. Operating revenues are determined based on the services provided by the Corporation. Operating expenses include the costs associated with providing those services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

c. Estimates

In preparing financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d. Tax Status

The Corporation is exempt from federal, state, and local income taxes.

Albany County Capital Resource Corporation
(A Component Unit of Albany County, New York)

Notes to Financial Statements
December 31, 2024 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Cash and Investments

The Corporation's investment policies are governed by New York State statutes. In addition, the Corporation has its own written investment policy. Corporation monies must be deposited at Federal Deposit Insurance Corporation insured commercial banks or trust companies located within the State of New York. The Corporation is authorized to use demand accounts, money market accounts, and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State of New York, its municipalities, and school districts. The Corporation's deposits were fully insured or collateralized at December 31, 2024 and 2023.

f. Industrial Development Revenue Bonds

The Corporation may issue Industrial Development Revenue Bonds. The bonds are special obligations of the Corporation payable solely from revenue derived from the leasing, sale, or other disposition of a project. As explained more fully in Note 2, there is no liability to the Corporation; therefore, the obligations are not accounted for in the accounts of the Corporation.

g. Employee Benefit Plans

The Corporation outsources its day-to-day operations to the Advance Albany County Alliance Local Development Corporation (AACAL). Any employee benefit obligations belong to Albany County. The Corporation has no employees.

h. Subsequent Events

The Corporation has evaluated subsequent events for potential recognition or disclosure through March 26, 2025, the date the financial statements were available to be issued.

Note 2 - Loan Receivable

The Corporation had a loan receivable that was due in December 2031. During 2023, payments on the loan ceased and the Corporation commenced legal proceedings regarding the unpaid balance. In December 2024, the underlying property was purchased by Albany County, which satisfied senior lienholders, but no proceeds were received by the Corporation. The Corporation's loan receivable was written off as bad debt expense during the year ended December 31, 2024.

Albany County Capital Resource Corporation
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Notes to Financial Statements
 December 31, 2024 and 2023

Note 3 - Industrial Development Revenues Bonds and Notes

The bonds and notes are not obligations of New York State or Albany County and are not general obligations of the Corporation. The Corporation does not record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, the Corporation receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon the issuance of bonds and notes. Revenue bonds outstanding at December 31, 2024 and 2023 were as follows:

Project Description	Year Ended December 31, 2024						Final Maturity Date
	Principal Amount of Issue	Current Interest Rate	Outstanding December 31, 2023	Issued During 2024	Principal Payments 2024	Outstanding December 31, 2024	
CIDC Colonie LLC 2019A	\$ 7,723,011	5.25%	\$ 7,144,636	\$ -	\$ 296,196	\$ 6,848,440	7/1/2040
CIDC Colonie II LLC 2020A	48,064,101	5.85%	48,014,719	-	1,429,403	46,585,316	6/30/2037
CIDC Colonie III LLC 2021A	19,386,000	5.57%	18,056,855	-	676,579	17,380,276	4/1/2042
CIDC Colonie III LLC 2021C	390,000	5.50%	341,999	-	20,192	321,807	4/1/2036
CIDC Colonie IV LLC 2024A	12,628,729 *	7.02%	-	2,470,214	-	2,470,214	7/1/2045
CIDC Colonie IV LLC 2024B	3,300,000	6.50%	-	3,310,000	-	3,310,000	7/1/2040
Wildwood Programs, Inc -Series 2019A	2,880,000	2.60%	1,755,000	-	345,000	1,410,000	7/1/2030
	<u>\$ 75,313,209</u>		<u>\$ 5,780,214</u>		<u>\$ 2,767,370</u>	<u>\$ 78,326,053</u>	

Note 4 - Transactions With Related Organization

The Corporation has entered into an agreement with the AACA to provide professional economic development management and administrative support services to the Corporation. The terms of the agreement commenced on June 21, 2023 and continue until December 31, 2025. In consideration of the terms and conditions of the agreement, the Corporation has agreed to pay the AACA \$133,333 annually in equal monthly installments. The agreement may be terminated by either party for any reason upon thirty (30) days' prior written notice.

Note 5 - Accounting Pronouncements Issued But Not Yet Implemented

GASB Statement No. 103, *Financial Reporting Model Improvements*. This statement improves key components of the financial reporting model, including a reiteration of the Management's Discussion and Analysis requirements, description and presentation requirements for unusual or infrequent items, definitions of nonoperating revenues and expenses, major component unit presentation requirements, and the requirement that budgetary comparison information be presented as required supplementary information versus a statement. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. It also establishes disclosure requirements for capital assets held for sale, including disclosures relating to debt for which the capital assets held for sale are pledged as collateral. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

The Corporation's management is not yet able to estimate the extent of the potential impact of these statements on the Corporation's financial statements.



**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditor's Report

Chair and Members of the Board
Albany County Capital Resource Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Albany County Capital Resource Corporation (Corporation), a component unit of Albany County, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated March 26, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BST+Co.CPAs, LLP

Latham, New York
March 26, 2025